Trade and Agriculture
What's at Stake for Louisiana?

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Louisiana produces agricultural products that are exported worldwide. Louisiana's farm cash receipts were $1.8 billion in 2000, and its agricultural exports were estimated at $545 million in 2000. These exports help boost farm prices and income, while supporting about 7,794 jobs both on the farm and off the farm in food processing, storage, and transportation. Exports important to Louisiana's agricultural and statewide economy. Measured as exports divided by farm cash receipts, the State's reliance on agricultural exports was 30 percent in 2000.

Louisiana's top agricultural exports in 2000 were:

rice – $136 million
cotton – $91 million
soybeans and products -- $67 million

World demand is increasing, but so is competition among suppliers. If Louisiana's farmers, ranchers, and food processors are to compete successfully for the export opportunities of the 21st century, they need *fair trade* and *more open access* to growing global markets.

Louisiana Benefits From Trade Agreements

Louisiana is already benefitting from a number of agricultural trade agreements. While there is still much to be done, examples of market opportunities for Louisiana include:

As the nation's 3rd largest producer of rice, Louisiana benefits under the Uruguay Round agreement. Japan opened its market to 375,000 tons of imported rice in 1995, which expanded to a 682,200-ton tariff rate quota by 2000. As a result, Japan has emerged as one of the largest export markets for U.S. rice, with sales increasing from $31 million in 1995 to $120 million in 2000. The United States has supplied about half Japan's rice imports since 1995, and the country is the top destination for U.S. medium- and short-grain rice.

Under the North American Free Trade Agreement, tariff preferences have helped to increase U.S. market share for rice in Mexico, from 79 percent in 1994 to nearly 100 percent in 1999. From 1994 to 2000, the value of U.S. rice exports to Mexico increased from $68 million to $102 million.

Louisiana, the 8th largest cotton producer, benefits under the North American Free Trade Agreement with rules of origin that increased demand for U.S. textiles in Canada and Mexico. Mexico's 10-percent tariff on cotton will be eliminated by 2003. This tariff reduction supports U.S. cotton exports to Mexico, which rose to 1.5 million bales in marketing year 2000.

- # Louisiana benefits under the Uruguay Round agreement as South Korea reduces its tariffs on soybean oil by 14.5 percent from 1995 to 2004. The tariff reduction has supported a threefold increase in export volume, with total sales reaching $32 million in 2000. The Philippines is reducing its tariffs on soybean meal from 10 to 3 percent during the same period. This tariff reduction has supported a 40-percent increase in U.S. soybean meal exports that topped $160 million in 2000.